

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

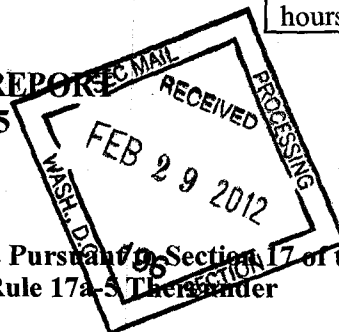


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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III
FACING PAGE

2/2/10

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder



OMB APPROVAL
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SEC FILE NUMBER
8-51721

REPORT FOR THE PERIOD BEGINNING 01/01/11 AND ENDING 12/31/11
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

REID & RUDIGER, L.L.C.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

110 Wall Street

(No. and Street)

New York

(City)

New York

(State)

10005

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Edward J. Rudiger, Jr - CEO

(212) 785-0500

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC

(Name - if individual, state last, first, middle name)

250 West 57th Street, Suite 1632

(Address)

New York

(City)

New York

(State)

10107

(Zip Code)

CHECK ONE:

☒

Certified Public Accountant

☐

Public Accountant

☐

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY


*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

OATH OR AFFIRMATION

I, Edward J. Rudiger, Jr., CEO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Reid & Rudiger, L.L.C. (Company), as of December 31, 2011, are true and correct. I further swear (or affirm) that neither the Company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

KELLI MEZZATESTA
NOTARY PUBLIC-STATE OF NEW YORK
No. 01ME6092632
Qualified in Richmond County
My Commission Expires 5/19/15


Edward J. Rudiger, Jr., CEO

Sworn and subscribed to before me this 24 day of February, 2012.

This report contains (check all applicable boxes):

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| | Report of Independent Registered Public Accounting Firm | 1 |
| (x) | (a) Facing page. | |
| (x) | (b) Balance Sheet. | 2 |
| (x) | (c) Statement of Operations. | 3 |
| (x) | (d) Statement of Cash Flows. | 4 |
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| (x) | (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934. | 8 |
| () | (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934. | |
| () | (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable). | |
| () | (j) A Reconciliation, including Appropriate Explanations, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Rule 15c3-3 (not required). | |
| () | (k) A Reconciliation Between the Audited and Unaudited Consolidated Statements of Financial Condition With Respect to Methods of Consolidation (not applicable). | |
| (x) | (l) An Affirmation. | |
| (x) | (m) A Copy of the SIPC Supplemental Report. | 9 - 10 |
| (x) | (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control). | 11 - 12 |

VB&T

Certified Public Accountants, PLLC

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of
Reid & Rudiger, L.L.C.

We have audited the accompanying balance sheet of Reid & Rudiger, L.L.C., as of December 31, 2011 and the related statements of operations, changes in member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Reid & Rudiger, L.L.C., at December 31, 2011, and the results of its operations, changes in member's equity, and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC

New York, NY
February 25, 2012

**Registered with the Public Company Accounting Oversight Board
Member of the American Institute of Certified Public Accountants**

REID & RUDIGER, L.L.C.
BALANCE SHEET
DECEMBER 31, 2011

ASSETS

Cash	\$ 444,808
Cash - restricted - See Note 6.	45,159
Receivable from clearing broker	185,109
Clearing deposits	50,000
Marketable securities, at fair value	7,353
Prepaid expenses	2,295
Property and equipment, net of accumulated depreciation of \$229,078	<u>82,766</u>
Total Assets	<u><u>\$ 817,490</u></u>

LIABILITIES AND MEMBER'S EQUITY

Accounts payable and accrued expenses	<u>\$ 138,164</u>
Total Liabilities	<u>138,164</u>
Contingencies	-
Member's equity	<u>679,326</u>
Total Liabilities and Member's Equity	<u><u>\$ 817,490</u></u>

See independent auditors' report and accompanying notes to the financial statements.

REID & RUDIGER, L.L.C.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

Revenues:	
Commissions	\$ 5,926,391
Other Income	234
Interest income	<u>813</u>
Total Revenues	<u>5,927,438</u>
Costs and Expenses:	
Compensation and benefits	403,921
Clearing expenses	93,391
Guaranteed payments to members	637,000
Commission expense	2,628,935
Rent	146,476
Office supplies and expense	93,613
Telephone	31,547
Postage and delivery	39,303
Registration and license	94,700
Quotations and research	34,308
Depreciation and amortization	24,284
Professional fees	103,039
Computer expenses	46,391
Insurance	13,946
Travel and entertainment	133,997
Equipment rental	25,902
Dues and subscriptions	8,916
SIPC fee	<u>14,212</u>
Total Expenses	<u>4,573,881</u>
Net Income	<u><u>\$ 1,353,557</u></u>

See independent auditors' report and accompanying notes to the financial statements.

REID & RUDIGER, L.L.C.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash Flows Provided by Operating Activities:	
Net Income	\$ 1,353,557
Depreciation	24,284
Adjustment to reconcile net income to	
net cash provided by operating activities:	
(Increase) in cash - restricted	(199)
Decrease in receivable from clearing broker	136,342
(Increase) in marketable securities, at fair value	(234)
Decrease in prepaid expenses	27,557
(Decrease) in accounts payable and accrued expenses	<u>(30,948)</u>
Net Cash Provided By Operating Activities	<u>1,510,359</u>
Cash Flows From Investing Activities:	
	-
Cash Flows From Financing Activities:	
Member's distribution	<u>(1,570,474)</u>
Net Cash (Used) by Financing Activities	<u>(1,570,474)</u>
Net (Decrease) In Cash	(60,115)
Cash at beginning of the year	<u>504,923</u>
Cash at end of the year	<u><u>\$ 444,808</u></u>

See independent auditors' report and accompanying notes to the financial statements.

REID & RUDIGER, L.L.C.
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

	Total Member's Equity
Balance, January 1, 2011	<u>\$ 896,243</u>
Member's distribution	(1,570,474)
Net Income	<u>1,353,557</u>
Balance, December 31, 2011	<u><u>\$ 679,326</u></u>

See independent auditors' report and accompanying notes to the financial statements.

REID & RUDIGER, L.L.C.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

1. ORGANIZATION AND NATURE OF BUSINESS

Reid & Rudiger L.L.C., ("Company") a Delaware Limited Liability Company formed March 18, 1998, commenced operations November 1, 1999 and is doing business as a retail brokerage firm. The Company is wholly-owned by Evermore Holdings, LLC and is a member of the Financial Industry Regulatory Authority (FINRA).

The Company clears all of its transactions through a securities clearing broker. The Company acts as a broker-dealer and is exempt from Securities and Exchange Commission Rule 15c3-3 under paragraph k(2)(ii) since it uses another securities firm for clearing transactions.

Pursuant to an agreement between the Company and RBC Dain Rauscher, Inc. (Dain), securities transactions of the Company are cleared through Dain and the customers of the Company are introduced and cleared on a fully disclosed basis. The Company is exempt from provisions of Rule 15c3-3 and is not responsible for compliance with Section 4(c) of Regulation T of the Board of Governors of the Federal Reserve System, as all customers' accounts, as defined by such rules, is carried by Dain.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenues

Profits and losses from commissions realized on agency transactions are recorded on a settlement date, which is not materially different than recording transactions on a trade date.

Receivable from Clearing Broker

Receivable from clearing broker consists of money due from the Company's clearing broker (Dain) for income earned on securities transactions. Management has determined that no allowance for doubtful accounts is necessary at December 31, 2011. The amount due from the clearing broker (Dain) is \$185,109.

Clearing Deposit

The Company maintains a separate account with a cash balance of \$50,000.

Income Taxes

The Company is a limited liability Company taxed as a partnership and, therefore, the accompanying financial statements do not include any provision for federal or state income taxes. The company files a consolidated tax return with its parent company, Evermore Holdings, LLC and the members of Evermore Holdings, LLC are individually responsible for reporting their share of the Company's income or loss.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REID & RUDIGER, L.L.C.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

3. NET CAPITAL REQUIREMENTS

The Company is a member of the FINRA and subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital of \$5,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2011, the Company had net capital of \$548,003 which was \$538,792 in excess of the amount required.

4. COMMITMENTS

Customer Transactions

In the normal course of business the Company executes, as agent, securities transactions on behalf of its customers. If the agency transactions do not settle because of failure to perform by either the customer or the counterparty, the Company may be obligated to discharge the obligation of the nonperforming party and, as a result, is subject to market risk if the market value of the securities is different from the contract amount of the transactions. The Company does not anticipate non-performance by customers or counterparties in the above situations. The Company's policy is to monitor its market exposure and counterparty risk. In addition, the Company has a policy of reviewing, as considered necessary, the credit standing of each counterparty and customer with which it conducts business.

5. LEASING ARRANGEMENTS

The Company entered into a five year lease during 2008 for office space at 110 Wall Street in NYC that expires on October 11, 2013. The rent at year-end was \$11,124 per month. The lease agreement provides for annual escalations. Rent expense for 2011 was \$146,476, which includes temporary office rental of \$13,097.

6. RESTRICTED CASH

The Company in lieu of posting a rental security deposit used a Letter of Credit drawn in favor of 110 Wall Street., LLP at Citibank for approximately \$40,000 which is collateralized by a Citibank CD for \$45,159.

7. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

Depreciation and amortization are computed for financial statement purposes on either a straight-line or accelerated basis over the estimated useful lives of the related assets. The estimated useful lives of depreciable and amortizable assets are:

<u>Asset Class</u>	<u>Method</u>	<u>Estimated Useful Lives</u>
Computers	S/L	5 years
Equipment	200DB	5 years
Furniture and fixtures	200DB	5-7 years
Leasehold improvements	S/L	5-39 years

There is no difference between book depreciation and depreciation used for federal income tax purposes.

REID & RUDIGER, L.L.C.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2011

NET CAPITAL:

Total member's equity	\$ 679,326
Deductions and/or charges:	
Non-allowable assets:	
Cash - restricted	(45,159)
Prepaid expenses	(2,295)
Property and equipment	<u>(82,766)</u>
Net capital before haircuts on securities positions	<u>549,106</u>
Haircuts on securities positions	<u>(1,103)</u>
Undue concentration	<u> </u>
Net Capital	<u><u>\$ 548,003</u></u>

AGGREGATE INDEBTEDNESS:

Items included in the statement of financial condition:	
Accounts payable and accrued expenses	<u><u>\$ 138,164</u></u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:

Minimum net capital required (6-2/3% of aggregate indebtedness)	<u>\$ 9,211</u>
Minimum net capital required	<u><u>\$ 5,000</u></u>
Excess net capital	<u><u>\$ 538,792</u></u>
Net capital less greater of 10% of total AI or 120% of minimum net capital	<u><u>\$ 534,187</u></u>
Percentage of aggregate indebtedness to net capital is	<u>25%</u>

The difference between the computation of net capital as computed above and as reported by the Company in Part IIA of Form X-17a-5 as of December 31, 2011 is attributable to the following:

Net capital was report by Company	\$ 645,502
Adjustment of accounts payable	<u>(97,501)</u>
Net capital per audited report	<u><u>\$ 548,003</u></u>



Certified Public Accountants, PLLC

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**Independent Accountants' Report on Applying Agreed-Upon
Procedures Related to an Entity's SIPC Assessment Reconciliation**

To the Member of
Reid & Rudiger, L.L.C.
110 Wall Street, 2nd Floor
New York, NY 10005

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the period from January 1, 2011 to December 31, 2011, which were agreed to by Reid & Rudiger, L.L.C. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC solely to assist you and the other specified parties in evaluating Reid & Rudiger, L.L.C.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). Reid & Rudiger, L.L.C.'s management is responsible for the Reid & Rudiger, L.L.C.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2011, noting no material differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and

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5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties

VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC

New York, NY
February 25, 2012



Certified Public Accountants, PLLC

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

To the Board of Directors of
Reid & Rudiger, L.L.C.

In planning and performing our audit of the financial statements and supplementary information of Reid & Rudiger, L.L.C. (the "Company") for the year ended December 31, 2011, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities Exchange Commission (the "Commission"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following: 1) Making quarterly securities examinations, counts, verifications and comparisons; 2) Recordation of differences required by Rule 17a-13, or, 3) Complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2011, to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC

New York, NY
February 25, 2012